

**BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2004-357-W/S**

IN RE:

Application of Carolina Water Service,
Inc. for adjustment of rates and charges
and modification of certain terms and
conditions for the provision of water and
sewer service.

**CONDITIONAL REBUTTAL
TESTIMONY
OF
BRUCE T. HAAS**

**Q. ARE YOU THE SAME BRUCE T. HAAS THAT HAS PREFILED DIRECT
TESTIMONY IN THIS CASE?**

A. Yes, I am.

**Q. WHAT IS THE PURPOSE OF YOUR CONDITIONAL REBUTTAL
TESTIMONY IN THIS PROCEEDING, MR. HAAS?**

A. The purpose of my conditional rebuttal testimony is to address statements made
by certain of our customers and others regarding instances of sewer backups during night
hearings in this matter.

**Q. WHY IS THIS TESTIMONY BEING FILED AS "CONDITIONAL" REBUTTAL
TESTIMONY?**

A. The Company has filed a motion seeking to preclude the consideration of
customer statements regarding sewer backups as an issue in this case. If our motion is
granted, this testimony would be irrelevant and would not be offered into evidence.

**Q. HOW DOES THE COMPANY INTEND TO RESPOND TO ANY SIMILAR
STATEMENTS MADE AT THE MAY 2, 2005 NIGHT HEARING?**

1 A. If it becomes necessary, I intend to offer oral rebuttal testimony under oath
2 pertaining to the subject of this conditional testimony.
3

4 **Q. MR. HAAS, SEVERAL CUSTOMERS COMPLAINED OF INSTANCES OF**
5 **SEWER BACKUPS; WOULD YOU PLEASE EXPLAIN WHAT CAUSES**
6 **BACKUPS?**

7 A. Yes. A sewer backup typically involves a blockage between the customer's
8 premises and the Company's sewer main. Sometimes the blockage occurs in the portion
9 of the service line that is the responsibility of the utility to maintain. Sometimes the
10 blockage occurs in the portion of the sewer line the customer is responsible for
11 maintaining, which is what happened with Mary Vanbrunt. Blockages can consist of
12 physical obstructions originating in customer premises or root intrusion. Sometimes a
13 backup will occur because service has been disconnected for non-payment or other
14 reasons and waste is nonetheless continued to be introduced from the customer premises.
15 In some instances, a customer will report a backup when, in fact, it is an overflow of a
16 single toilet caused by a blockage in customer plumbing or a deficiency in customer
17 plumbing. Infrequently a Company main may become blocked. When this happens, it
18 will cause a backup that may affect multiple customer premises "behind" the blockage.
19 And, in rare instances, Company maintenance can cause problems which appear to be
20 backups, but which are not. This can occur when we pressure wash our lines and
21 wastewater is forced from the service lines of one customer's premises to the lines of
22 another customers premises. I believe that this is the circumstance that Jeff Cohen
23 described to the Commission. According to our records, Mr. Cohen is no longer a
24 customer of ours and has never placed a service call for a blocked line.

25 **Q. HOW DOES THE COMPANY RESPOND TO BACKUP REPORTS?**

26 A. The Company has a twenty-four hour telephone service which customers may call
27 in the event of an emergency. We ask the customer not to call a plumber since the cause
28 may not be in the plumbing or customer service line, but may be in the Company's
29 service line. This is also clearly stated on our bill form that is attached as Exhibit "D" to
30 our application in this case. We do this so a customer may avoid incurring a potentially

unnecessary plumbing charge. We immediately dispatch a technician to the customer premises to ascertain the location of the blockage and the cause of the backup. If it is determined that the blockage is in the Company's facilities, we immediately effect repairs to alleviate the problem. And, in many instances, even where the blockage is in the customer's service line, we will remove it if we are able to do so and prevent the customer from having to call a plumber. If there is damage to the customer premises resulting from a blockage that is in the Company's facilities, we advise the customer to take immediate action to dry, clean and disinfect the affected portion of the premises, in order to mitigate any damages. We reimburse the customer in that event for reasonable expenses incurred, including lodging if necessary, and pay for the cleanup or property damage. That is what was done with respect to the backup described by Susan Norcutt. I would note that she also acknowledged that DHEC inspected premises and advised her that there was no basis for concern. If there is damage resulting from a blockage in the customer's facilities or internal plumbing problems, the customer has recourse to their own homeowners insurance.

Q. WHAT HAPPENS IF THERE IS A DISPUTE BETWEEN THE COMPANY AND A CUSTOMER OVER RESPONSIBILITY FOR A BACKUP?

A. Oftentimes, these disputes are settled between our customer and our insurance carrier and our involvement ends. However, there are some instances in which the dispute cannot be resolved amicably. In those cases, the matter is typically litigated and resolved by the judicial process.

Q. WHAT TYPES OF CIRCUMSTANCES MIGHT PREVENT THE COMPANY FROM AMICABLY RESOLVING A BACKUP COMPLAINT INVOLVING A BLOCKAGE IN THE COMPANY'S LINES?

A. Unfortunately, situations do arise where a customer may fail or refuse to take steps to mitigate the damage resulting from a backup. Where backed up wastewater is not promptly removed from floors and carpets, wood rot and mold can develop. It would be irresponsible for the Company to accept liability for damage that could have been

1 mitigated by a customer. We also from time to time have instances where service is
2 discontinued at rental housing due to non-payment. When that happens, the Company
3 installs or activates a shut off between the premises and the Company main.
4 Unfortunately, some tenants will continue to introduce waste into their plumbing fixtures
5 and either move out without informing the landlord or be evicted by DHEC. If the
6 landlord then takes possession of the premises without contacting us about service,
7 another backup can occur because the shut off is not deactivated. This is what happened
8 in the backup described by Annette Hoover. Again, the Company cannot take
9 responsibility in such a circumstance.

10
11 **Q. WHAT IS THE COMPANY'S RESPONSE TO THE SPECIFIC BACKUP**
12 **COMPLAINTS MADE AT THE NIGHT HEARINGS?**

13 **A.** I would begin by saying that I believe that none of these complaints are issues
14 properly before the Commission in this proceeding. As the Commission knows, it has
15 long recognized that it has no jurisdiction in legal disputes between the Company and its
16 customers involving claims for damages alleged to arise out of the utility customer
17 relationship. The most recent experience that the Company had in such a matter was in
18 Commission Docket Number 97-358-W, in which the Commission refused in its Order
19 Number 97-1003 to consider a complaint involving allegations of negligence against the
20 Company involving damage from a sewer backup. That case then proceeded through the
21 judicial process and the Company ultimately prevailed in circuit court.

22 Moreover, several of the complaints regarding backups which were made at the
23 night hearings are unresolved or involve occurrences or events that predate not only my
24 involvement with the Company's operations in the Midlands and Lowcountry areas, but
25 also the service of any of the current Commissioners. This is certainly the case with Ms.
26 Norcutt and Morris Bays. Respectively, these occurrences were nine and seventeen years
27 ago. And, in Mr. Bays case, he acknowledges that there was no backup into his premises
28 and that he never spoke with Company personnel. Similarly, Ms. Vanbrunt's statement
29 pertained to a backup that occurred in March of 2002. Our investigation revealed grease
30 in her service line that was removed by pressure washing conducted by our contractor,

1 MPC. And, Donna Underwood's complaint acknowledged that she was experiencing a
2 problem with her service line, which she described as "Orangeburg Pipe," and that she
3 replaced it. Our records show that occurred in 1999. Ms. Underwood reported a backup
4 in a manhole in 2002, but stated that our operator Larry Cannish had it pumped that night.
5 I would also note where a backup was attributable to a blockage located in the
6 Company's mains or lines, the only customer statement in that regard, which was by Ms.
7 Norcutt, indicated that claims for property damage made to the Company were paid. As I
8 already noted, we maintain liability insurance policies for that purpose.

9
10 **Q. IS THERE ANYTHING THAT THE COMPANY CAN DO TO PREVENT**
11 **BACKUPS?**

12 **A.** Realistically, no. Sewer utility facilities by nature involve the introduction of
13 solid and semi-solid objects into transportation systems that rely upon gravity or pumps
14 to transmit waste hydraulically through pipes. We simply cannot control what gets
15 introduced into our system by customers or others. Root intrusion presents a different
16 issue. The Company can, and does, conduct periodic inspection and cleaning of our
17 mains in our collection system, with the frequency of these efforts depending in part upon
18 the type of pipe and location in the system. For clay pipes or pipes in known trouble
19 spots, we attempt to annually inspect and clean 20 to 25% of these types of mains. For
20 other pipes, our cleaning and inspection program reaches approximately 10% on an
21 annual basis. When we have a blockage the source of which is not apparent, we conduct
22 an inspection using a closed circuit camera which sometimes reveals root intrusions.
23 Where root intrusion is discovered, we remove the roots and repair the pipe. However,
24 given the number of sewer lines that the Company operates to serve some 9,700
25 customers in eight counties, it is impractical to conduct inspections for the purpose of
26 discovering root intrusion without incurring significant additional expense. And it is our
27 experience that backups – particularly those resulting from blockages in the Company's
28 lines – are a relatively infrequent occurrence. Based upon DHEC's wastewater loading
29 guidelines, an average single family residence can be expected to discharge up to 400
30 gallons per day of wastewater. On an annual basis, that means that some 1.4 billion

1 gallons of wastewater could be introduced into our lines in a given year by our 9,700
2 customers. The incidence of sewer backups in comparison to that level of flow is de
3 minimis.
4

5 **Q. WHAT DOES THE COMPANY PROPOSE TO DO REGARDING BACKUPS?**

6 **A.** We understand that a backup is an unpleasant experience and we are committed to
7 responding to them in a prompt and professional manner within the limits of our
8 capability and our legal obligations. We do not believe, however, that increased line
9 inspection to detect and remove blockages that may lead to backups is warranted. The
10 Company would have to acquire additional equipment and employ additional personnel
11 for that purpose. Even then, backups may still occur – particularly in customer service
12 lines. The Company would question the prudence of such additional expenditures given
13 the relatively infrequent occurrence with which blockages occur in Company lines. And,
14 the costs of an enhanced line inspection program would have to be recovered through
15 increased rates. The Company believes that the Commission should adhere to its
16 precedent recognizing that it lacks jurisdiction to consider backup damage claims and
17 permit the judicial process to work for the benefit of all concerned.
18

19 **Q. DOES THIS CONCLUDE YOUR CONDITIONAL REBUTTAL TESTIMONY?**

20 **A.** Yes, it does.